# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:6047
ANSWERED ON:31.08.2001
CHARGING OF EARNEST MONEY BY NCCF
PRABHUNATH SINGH

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the Union Government are aware that a procedure is followed in DGS&D regardingthe amount of earnest money deposit/performance security and cost of the tender form to be charged from the registered suppliers etc. but there is no such laid down written procedure on these in NCCF;

(b) whether these organisations do not accept the performance security amount in the form of FDRs but insist on bank draft and use this money for their day to day business activities without payment of interest; and

(c) if so, what action does the Government propose to take to ensure that the organisations have a laid down procedure like DGS&D do not use the security deposit amount into their day to day business and accept the FDRs in place of bank drafts?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a) & (b): The NCCF is an autonomous cooperative organisation, registered under the Multi Sate Coopertive Societies Act, 1984. The business and other administrative matters in the NCCF are decided by the Board of Directors ofthe NCCF as per the provisions of its bye-laws. As per the procedure, registration of suppliers is being done after collecting a registration fee of Rs. 10,000/- which is treated as non-interest bearing deposit. Apart from this, the suppliers are required to pay earnest money/security amount and performance guarantee etc. in case of tenders and terms & conditions settled by them. The NCCF, however, does not collect the cost of tender forms from the suppliers.

(c) : Does not arise.